

Claudia Epright

2.14.12 Testimony

Bill PA 11-53: An act requiring adding consumer representation to the Insurance Exchange Board

Good Afternoon, Thank you to the Insurance Commission for this opportunity to testify in favor of Bill PA 11-53..Let me share my experience..

My husband has been an independent CT Electrical contractor for over 25 years. Until 2004, we had insurance through my employers. In 2004, I was laid off from a job. Subsequently, my husband and I had to purchase private insurance for a monthly premium of \$527.59 with a \$5000 deductible. When I was again laid of in 2009, we reduced our monthly premium from \$1,044.01 with a \$5000 deductible to \$947.16 with a \$10,000 deductible. In July of 2011 the premium rose to \$1,575.26. That is not affordable. I have been unemployed since Dec. of 2010. Full time jobs with benefits are still hard to find.

I would like to know if anyone on the current exchange has ever been at the low end of the pay scale, or has ever worked for an employer who does not provide health insurance. I think consumers need a voice on the exchange so that their interests will be served.

Further, I have some concerns about the make-up of the current Exchange Board.

When PA 11-53 was passed, it included strong conflict of interest language which prohibited membership of anyone "affiliated" with an insurer. It is my understanding that three members of the exchange board are retired from insurance companies and may be receiving pensions from those insurance companies. Furthermore, the appointment of these three people may violate specific terms of the state law, and definitely violates the

spirit of the exchange law. Also, the language is not clear on how the law would be enforced and who could be sued if these actions were questionable.

Furthermore, no consumer representatives were appointed. Vickie Veltri, State Health Care Advocate, is a nonvoting member, as specified in the legislation.

Also, since PA 11-53 passed, federal regulations were published stating that the MAJORITY OF THE VOTING MEMBERS should be consumers.

My concerns extend to the following points:

- The Board is making decisions now that will have lasting impact on consumers
 - a) They will hire a CEO to build the exchange and hire staff in the next month or two, they are emphasizing insurance industry experience as a prime qualification
 - B) The Board is considering hiring CBIA to run the small business exchange
 - D) The Board will begin deliberations on which benefits to require

These meetings should be open, not in closed executive sessions, so the work of the board can be transparent.

As a consumer of Health Insurance, I feel strongly that the following changes need to be made in the development of Connecticut's Insurance Exchange Board:

We need to add two consumer slots that balance good coverage with affordability

We need two additional small business voices

The State health care advocate needs a vote

- These three changes must be immediate!!
 - The Board is making big, foundational decisions right now that will determine how successful the exchange is in meeting consumer and small business needs
- The state's exchange needs to include a publicly accountable small business participation option

- We need to ensure that the CEO being hired now by the exchange is completely independent of the insurance industry, especially to balance insurers' domination of the current Board's membership
- We need to specify Ethics Commission enforcement of conflict of interest provisions in last year's law
 - There is no remedy in law for inappropriate appointments of insurance industry representatives

For these reasons, I strongly support the provisions of PA 11-53 and call for the suggested changes.

Thank you for your attention,

Claudia Epright, Consumer